

OXC-4337  
Copy 2 of 3

30 January 1963

**MEMORANDUM FOR THE RECORD**

**SUBJECT: Concurrence in Contract No. SH-513 (AF33(657)10449) with Shell Oil Company, Project OXCART**

1. This memorandum contains a recommendation submitted for concurrence of the undersigned. Such recommendation is contained in Paragraph 6.

2. Contract No. SH-513 covers the procurement and installation of special fuel and refueling facilities at Thule AFB, Greenland and Castle AFB, California for use in the OXCART Program. Shell has agreed to design and supervise the construction and installation on land at Thule which has been "leased" to them by the Air Force. Contractor has agreed to accomplish the work at no profit; however, a factor of \$43,175.00 is included in the total price of \$1,094,175 to cover their overhead costs such as supervisory personnel, accounting, contract administration, engineering design and travel costs. The balance of costs are primarily construction, subcontracts and material procurements. In the case of Thule the funds are being made available to the Army Corp of Engineers by Shell and the Army monitoring the construction contracts. The contract has been issued on a Fixed Price Redeterminable basis. Contract No. SH-513 obligates an amount of \$1,094,175 chargeable in FY-1963 to Project "Red Light" funds which have been transferred to the Agency by the Air Force.

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3. By concurrence to this memorandum the Chief, Budget and Finance Branch signifies that sufficient funds are available for this obligation

4. The services and equipment being procured by this Contract SH-513 are in furtherance of the OXCART Program, the nature of which cannot be publicly disclosed for security reasons. The undersigned Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC-2122, signed by the DDCI on October 25, 1961.

5. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in

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[redacted] Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b)) - see 85-907 dated 7/7/58) for each contract.

6. Concurrence in Contract No. SH-513 is recommended.

[redacted]  
Contracting Officer, OSA

CONCURRENCES:

151  
[redacted]  
CH/BFB/OSA

25 Feb '63  
Date

151  
JOHN PARANGOSKY  
CH/DD/OSA

25 Feb '63  
Date

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CH/DD/OSA

25 Feb '63  
Date

151  
OLIVER E. PAGAN  
OGC

14 Feb '63  
Date

CD/OSA-DD/R: [redacted] :MRC  
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